

Assembly Bill No. 2170

Passed the Assembly August 31, 2016

Chief Clerk of the Assembly

Passed the Senate August 31, 2016

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 2192 and 2192.2 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2170, Frazier. Trade Corridors Improvement Fund: federal funds.

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) created the Trade Corridors Improvement Fund and provided for allocation by the California Transportation Commission of \$2 billion in bond funds for infrastructure improvements on highway and rail corridors that have a high volume of freight movement, and specified categories of projects eligible to receive these funds. Existing law continues the Trade Corridors Improvement Fund in existence in order to receive revenues from sources other than the bond act for these purposes.

This bill would require revenues apportioned to the state from the National Highway Freight Program established by the federal Fixing America's Surface Transportation Act to be allocated for trade corridor improvement projects approved pursuant to these provisions.

Existing law requires the commission, in determining projects eligible for funding, to consult various state freight and regional infrastructure and goods movement plans and the statewide port master plan.

This bill would delete consideration of the State Air Resources Board's Sustainable Freight Strategy and the statewide port master plan and would instead include consideration of the applicable port master plan and the California Sustainable Freight Action Plan of July 2016 when determining eligible projects for funding. The bill would also expand eligible projects to include rail landside access improvements, landside freight access improvements to airports, and certain capital and operational improvements. The bill would require the commission to use existing guidelines for the Trade Corridors Improvement Fund in allocating available funding but would authorize the commission to adopt amendments

to the guidelines by April 1, 2017, and would impose various other requirements on the commission.

The people of the State of California do enact as follows:

SECTION 1. Section 2192 of the Streets and Highways Code is amended to read:

2192. (a) (1) The Trade Corridors Improvement Fund, created pursuant to subdivision (c) of Section 8879.23 of the Government Code, is hereby continued in existence to receive revenues from state sources other than the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.

(2) Revenues apportioned to the state under Section 167 of Title 23 of the United States Code from the National Highway Freight Program, pursuant to the federal Fixing America's Surface Transportation Act ("FAST Act"; Public Law 114-94) shall be allocated for projects approved pursuant to this chapter.

(b) This chapter shall govern expenditure of those state and federal revenues described in subdivision (a).

(c) The funding described in subdivision (a) shall be available upon appropriation for allocation by the California Transportation Commission for infrastructure improvements in this state on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement, as determined by the commission. In determining the projects eligible for funding, the commission shall consult the Transportation Agency's state freight plan as described in Section 13978.8 of the Government Code and the California Sustainable Freight Action Plan released in July 2016 pursuant to Executive Order B-32-15. The commission shall also consult trade infrastructure and goods movement plans adopted by regional transportation planning agencies, adopted regional transportation plans required by state and federal law, and the applicable port master plan when determining eligible projects for funding. Eligible projects for the funding described in subdivision (a) shall further the state's economic, environmental, and public health objectives and goals for freight policy, as articulated in the plans to be consulted pursuant to this subdivision, and may include, but are not limited to, all of the following:

(1) Highway capacity improvements, rail landside access improvements, landside freight access improvements to airports, and operational improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the state's land ports of entry, rail terminals, and seaports, including navigable inland waterways used to transport freight between seaports, land ports of entry, and airports, and to relieve traffic congestion along major trade or goods movement corridors.

(2) Freight rail system improvements to enhance the ability to move goods from seaports, land ports of entry, and airports to warehousing and distribution centers throughout California, including projects that separate rail lines from highway or local road traffic, improve freight rail mobility through mountainous regions, relocate rail switching yards, and other projects that improve the efficiency and capacity of the rail freight system.

(3) Projects to enhance the capacity and efficiency of ports.

(4) Truck corridor and capital and operational improvements, including dedicated truck facilities or truck toll facilities.

(5) Border capital and operational improvements that enhance goods movement between California and Mexico and that maximize the state's ability to access funds made available to the state by federal law.

(6) Surface transportation and connector road improvements to effectively facilitate the movement of goods, particularly for ingress and egress to and from the state's land ports of entry, airports, and seaports, to relieve traffic congestion along major trade or goods movement corridors.

(d) (1) In selecting projects for inclusion in the program of projects to be funded with funds described in subdivision (a), the commission shall evaluate the total potential costs and total potential economic and noneconomic benefits of the program to California's economy, environment, and public health. The commission shall consult with the State Air Resources Board in order to utilize the appropriate models, techniques, and methods to develop the parameters for evaluation of projects. The commission shall allocate the funding described in subdivision (a) for trade infrastructure improvements consistent with Section 8879.52 of the Government Code and the Trade Corridors Improvement Fund (TCIF) Guidelines adopted by the commission on November 27, 2007, or as amended by the commission, and in

a manner that (A) addresses the state's most urgent needs, (B) balances the demands of various land ports of entry, seaports, and airports, (C) provides reasonable geographic balance between the state's regions, (D) places emphasis on projects that improve trade corridor mobility and safety while reducing emissions of diesel particulates, greenhouse gases, and other pollutants, and reducing other negative community impacts, and (E) makes a significant contribution to the state's economy. The commission shall adopt any amendments to the 2007 guidelines on or before April 1, 2017.

(2) In adopting amended guidelines, and developing and adopting the program of projects, the commission shall do all of the following:

(A) Accept nominations for projects to be included in the program of projects from regional and local transportation agencies and the Department of Transportation.

(B) Recognize the key role of the state in project identification and support integrating statewide goods movement priorities into the corridor approach.

(C) Make a finding that adoption and delivery of the program of projects is in the public interest.

(3) In addition, the commission shall also consider the following factors when allocating these funds:

(A) "Velocity," which means the speed by which large cargo would travel from the land port of entry or seaport through the distribution system.

(B) "Throughput," which means the volume of cargo that would move from the land port of entry or seaport through the distribution system.

(C) "Reliability," which means a reasonably consistent and predictable amount of time for cargo to travel from one point to another on any given day or at any given time in California.

(D) "Congestion reduction," which means the reduction in recurrent daily hours of delay to be achieved.

SEC. 2. Section 2192.2 of the Streets and Highways Code is amended to read:

2192.2. The commission shall allocate funds made available by this chapter to projects that have identified and committed supplemental funding from appropriate local, federal, or private sources. The commission shall determine the appropriate amount of supplemental funding each project should have to be eligible

for moneys based on a project-by-project review and an assessment of the project's benefit to the state and the program. Funded improvements shall have supplemental funding that is at least equal to the amount of the contribution under this chapter. The commission may give priority for funding to projects with higher levels of committed supplemental funding.

Approved _____, 2016

Governor